adequate compensation for the loss of all these products and for the amenities that an agriculturist may get by his actual occupation and cultivation. Now that the property is acquired, he has to go in for other cooly work, even women and children have to go for work elsewhere on other people's farms. And what is it that they get? The compensation as awarded by the Government based upon calculation income. The calculation of income sometimes may be very capricious. I can quote instances, but I reserve them for another occasion, discussion on the grant for the next year. There are instances which I have come across in my study of the situation in which for lands lying close to each other, adjoining survey numbers, different incomes are calculated. According to the yield calculated from three adjoining survey nubers, one is eight-fold and another is 2 or 3-fold. The sort of capricious distinction brought about in this assessment of loss is something which I would respectfully submit to this Hon'ble House is very very detrimental to the interests of any tenant and I can only ascribe it to the fact, that they are brought about by certain satellites of Departments who probably do not owe much allegiance to the subjects of the State. On these grounds and on the last, but not the least, important ground that it is this scheme that is practically effacing out of cultivation area of 268 tenants, occupancy tenants, either cultivating themselves or through pankuvaram tenants or through others. These are actually effected out of their cultivation business and they are damnified to the extent of the products of their occupation. On these grounds, Sir, I respectfully beg to place before this House, my opposition to the grant and I pray that the Government may be pleased to sympathetically see the point that lies behind my opposition.

The House rose for lunch at 1-37 p.m. and reassembled at 2-30 p.m. with the Hon'ble the Diwan President in the Chair.

PRESENTATION OF THE BUDGET ESTIMATE FOR 1120

Mr. P. V. Raphael.—

Sir,

With your kind leave, Sir, I have the honour to present the Budget estimate of the State for 1120 M. E. (1944-45). While the budget before the House reveals a picture of growing recipts and swelling expenditure, it speaks also of the ceaseless strain on the administration to meet the ever-growing demands of the present, at the same time not forgetting what may be required of us in an uncertain post-war future.

When we met here last time to consider the budget an unprecedented crisis of famine was confronting us all; the hopeful signs of an allied victory were then only penetrating through the dark enshrouding clouds. A distinct change for the better in all spheres is now unfolded before our vision. We have through the timely assistance of the Central and Provincial Governments and the hearty and enduring co-operation of our people in the State, got through, though only temporarily, one of the worst food crisis that ever faced us. The ascendency of the United nations against the enemies has been clearly established both in the accident where the Hitlerites are reeling, staggering back under the giant blows dealt in the east, west and south and in the orient where the Nipponese have been brought to bay and are awaiting their doom. With victory in sight and with the grim vicissitudes of the food situation still before us, I shall, in a spirit of hope and faith, pass to a review of our accounts and our budgettary position.

ACCOUNTS OF 1118

When presenting the Budget estimates of the current year, I estimated on the basis of an improved revenue of Rs. 164·08 lakhs and of a total expenditure of Rs. 150·42 lakhs that the year 1118 would end with a surplus of Rs. 13·66 lakhs as against Rs. 3·18 lakhs originally estimated. The actual transactions of the year, however, resulted in a surplus of Rs. 26·21 lakhs due to further improvement in revenue to the extent of Rs. 6·52 lakhs and a fall in expenditure of Rs. 6·03 lakhs as compared with the Revised estimates. The increase in revenue was chiefly under Income-tax, Stamps and Abkari and Ganja while the saving in expenditure was mainly under forests and Tramway, Public Works and Miscellaneous.

Out of the realised surplus of Rs. 26·21 lakhs a sum of Rs. 20·00 lakhs is proposed to be transferred to the Revenue Reserve Fund which will then stand at Rs. 55·75 lakhs.

The State had at the end of the year a net asset of Rs. 123·03 lakhs over liabilities or Rs. 143·03 excluding the proposed transfer to Revenue Reserve Fund. The investments on Capital Outlay such as the Cochin Harbour, the Railway and Navigation Works etc. stood at Rs. 108·69 lakhs, and excluding loans and advances recoverable the total of the other investments stood at Rs. 90·46 lakhs.

LIBRARY ARCHIVES Kerala Legislative Assembly

Among the important financial commitments of the Government in the past year mention has to be made of the huge advance of Rs. 278·52 lakhs made for the purchase of food grains inside and outside the State of which a sum of Rs. 241·16 lakhs was recovered by sale proceeds, the balance of Rs. 37·36 lakhs being owned in the stock of food grains at the disposal of the Government.

REVISED ESTIMATE OF 1119

Passing on to the current year, I shall first deal with the financial position. The total revenue is expected to reach Rs. 209·34 lakhs which is Rs. 23·95 lakhs more than our Budget anticipations, while the total expenditure is estimated at Rs. 190·83 lakhs which exceeds the budgetted programme by the same amount of Rs. 23·95 lakhs. The year is expected to close with a surplus of Rs. 18·50 lakhs which is more or less the same as the original anticipated surplus of Rs. 18·51 lakhs. The variations from the budget figures both under receipts and disbursements merely reflect the uncertainties of the times and require no special explanation.

I shall now endeavour to explain some of the broad features which cause the differences on the side of revenue. As the House is aware, we have embarked on numerous activities connected with the war efforts as the supply of timber, recruitment of labour, encouragement to cottage and other industries, etc., and these have given increased employment and larger incomes to the masses. There has been at the same time a phenominal increase in the prices of agricultural products and these have led to a material rise in prosperity for most persons dependent on Agriculture, Commerce, or Industry with the result that an improvement in the revenue position became more and more pronounced as the year advanced. The increased revenues expected under Excise and Income-tax fall under this category. The larger supply of various species of timber and fuel has caused the increase of Rs. 9·75 lakhs under Forest revenue.

The various steps taken by the Government to fight inflation and supplement the efforts of the Government of India in this direction, *viz.*—

Revision of the scale of registration fees.

Restriction of Capital issues.

Enhancement of salt duty.

Enhancement of Anchal rates and

Enhancement of the issue price of liquor from distillery—have in no small measure contributed to the increased revenues under the respective heads.

Though there has been no change in the rates of the Excess Profits Tax, it is expected that the larger income from this source and the increase from the ordinary Income-tax would enhance the Budget anticipation under this head by Rs. 7 lakhs.

Before proceeding further I have to pause and explain to the House why such a large fall of Rs. 8·76 lakhs has occurred under Miscellaneous revenue. The cultivation of the forest areas by food crops launched in the course of the "grow more food campaign" and more popularly known as the Hill Paddy Scheme has not yielded the expected results. We spent Rs. 6·89 lakhs on this account in the course of 1118 and including an expenditure of Rs. 2·73 lakhs in 1119, the total expenditure on the scheme is Rs. 9·62 lakhs in all. According to the Revised estimates the Hill Paddy Scheme is expected to yield in 1119 only a revenue of Rs. 4·62 lakhs against an anticipation of Rs. 14·35 lakhs. The very nature of these extensive operations was faught with numerous difficulties. Adequate control was difficult; proper protection was impracticable; the weather conditions were most unfavourable; and the result was disappointing.

I shall now briefly explain why the budgetted expenditure has so considerably increased.

Dearness allowance.—Last year I referred to the increased cost of living and its bearing on Government servants. The House has expressed its concern on this vital problem by the numerous resolutions and interpellations. The grain compensation or dearness allowance which stood at Rs. 2 to all employees on a pay of Rs. 25 and below was then enhanced to Rs. 4 and extended to all drawing Rs. 60 and less—costing in all Rs. 6·53 lakhs. This was liberalised and extended in the course of this year from 1st Dhanu 1119 to all employees drawing Rs. 100 and below involving an increased expenditure of Rs. 5·44 lakhs. Even this enhancement, then accepted as liberal, has now been considered as inadequate and revised rates have been sanctioned from the beginning of last month. The new scheme which extends the benefit of its operation to all drawing Rs. 200 and below at varying rates from Rs. 10 to Rs. 14 is expected to cost Rs. 20·51 lakhs a year, the net additional expenditure this year being Rs. 5·99 lakhs over the budget provision.

LIBRARY ARCHIVES Kerala Legislative Assembly